

MINUTE ITEM

15. (AUTHORIZATION FOR AMENDMENT TO CONTRACT LC-91 WITH AUDITS DIVISION - W. O. 2323.4.)

Following presentation of Calendar Item No. 9 attached, Mr. Kirkwood asked if an auditing staff had been included in the budget, and was informed that this had been done.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AN AMENDMENT TO INTERAGENCY CONTRACT LC-91 WITH AUDITS DIVISION OF THE DEPARTMENT OF FINANCE TO INCREASE THE AMOUNT THEREOF TO NOT TO EXCEED A TOTAL OF \$15,000 (AN INCREASE AMOUNTING TO \$5,000).

Attachment

Calendar Item 9 (1 page)

CALENDAR ITEM

MISCELLANEOUS

9.

(AUTHORIZATION FOR AMENDMENT TO CONTRACT LC-91 WITH DIVISION OF AUDITS - W. O. 2323.4.)

At the August 15, 1956, meeting of the State Lands Commission, the Executive Officer was authorized to enter into and execute an interagency contract with Audits Division, Department of Finance, providing for the furnishing of services by said division in the development of a program designed to carry out auditing functions under provisions of Chapter 29, Statutes of 1956, 1st E.S., said contract to provide for services for the period July 1, 1956, through October 31, 1956, at a cost not to exceed \$5,000.

Later developments, however, indicated that the complexity of the Long Beach operations would require further audit services by the Audits Division and also require extending the period covered to include the entire fiscal year 1956/57 at an additional cost amounting to \$5,000.

At the November 8, 1956, meeting of the Commission, the Executive Officer was authorized to extend Interagency Contract LC-91 with Audits Division to June 30, 1957, and to increase the cost not to exceed a total of \$10,000.

In a letter dated April 23, 1957, to the Executive Officer of the State Lands Commission, Mr. Eric M. McLachlan of the Audits Division of the Department of Finance states, "The current review of the Long Beach Oil Operation by the Audits Division is taking a considerable additional amount of time beyond that originally contemplated. It now appears necessary that we should increase the allotment for this investigation by approximately \$5,000 to complete the current year's review. This has been necessitated by the fact that we have run into rather complicated accounting and distribution problems that seriously affect the amounts due the State by several hundreds of thousands of dollars". Funds are available to provide for this increase.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO EXECUTE AN AMENDMENT TO INTERAGENCY CONTRACT LC-91 WITH AUDITS DIVISION OF THE DEPARTMENT OF FINANCE TO INCREASE THE AMOUNT THEREOF TO NOT TO EXCEED A TOTAL OF \$15,000 (AN INCREASE AMOUNTING TO \$5,000).